

VZCZCXRO6667

RR RUEHAO RUEHCD RUEHGA RUEHGD RUEHHA RUEHHO RUEHMC RUEHNG RUEHNL
RUEHQU RUEHRD RUEHRG RUEHRS RUEHTM RUEHVC
DE RUEHUB #1036/01 3061531
ZNY CCCCC ZZH
R 021531Z NOV 07
FM USINT HAVANA
TO RUEHC/SECSTATE WASHDC 2445
INFO RUEHWH/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS
RHEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC
RUCOWCV/CCGDSEVEN MIAMI FL
RUEAIIA/CIA WASHINGTON DC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUCOGCA/COMNAVBASE GUANTANAMO BAY CU
RHMFISS/HQ USSOUTHCOM MIAMI FL
RHMFISS/JOINT STAFF WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 04 HAVANA 001036

SIPDIS

SIPDIS

DEPT FOR WHA/CCA, DHS FOR TSA

E.O. 12958: DECL: 10/16/2017

TAGS: [ECON](#) [PGOV](#) [PINR](#) [PREL](#) [ASEC](#) [EAIR](#) [CU](#)

SUBJECT: U.S. CHARTER AIRLINES IN CUBA

REF: HAVANA 01011

Classified By: COM: Michael E. Parmly: For reasons 1.4 b/d

¶1. (SBU) SUMMARY: This is a follow-up to HAVANA 01011, regarding the 10/7-22 visit by a delegation from the Transportation Security Administration (TSA). This cable addresses specifically the operations of OFAC-licensed U.S. charters in Cuba. Based on information gathered during the trip, we estimate the average weekly number of OFAC-licensed passengers traveling from the U.S. to Cuba to be 1,872, and that roughly 1,500 of them are Cuban-Americans traveling to visit their families. The inordinately large amounts of baggage they bring benefit the charter airlines as much as their Cuban relatives in Cuba. The airport operations we visited confirm that tourism traffic has not yet recovered. However, all airports had sufficient know-how, infrastructure and personnel capacity to expand operations in the event they had to accommodate more traffic. End Summary.

Charter Companies and Airlines

¶2. (U) There are nine U.S. charter companies (seven for passengers and two for cargo) licensed by OFAC to travel directly between the U.S. and Cuba. The seven passenger charters (with their authorized destinations in parenthesis) are: Wilson (Santiago de Cuba, Havana); XAEL (Havana); C&T (Camaguey, Havana); Marazul (Havana); CTS (Cienfuegos, Havana); Gulfstream (Havana); ABC (Holguin, Havana). These companies, in turn, contract any of the following airlines to actually fly the passengers: American, American Eagle, Gulfstream, Sky King, and Miami Air (usually only during surge periods such as Christmas). In addition, there are two charter companies licensed to fly cargo to Cuba (and which mainly handle USINT's diplomatic pouch): IBC and Avialeasing.

¶3. (U) U.S. charter companies cannot station their own representatives in Cuba. As a result, all U.S. charter companies are represented at airports throughout Cuba by a single GOC company, Celimar, which is also a tour operator and subsidiary of GOC tourism conglomerate Havanatur. Celimar agents are periodically visited and trained by U.S. charters.

Weight Limits = Profits

14. (U) The issue of weight allowances for baggage is significant in Cuba because Cuban-Americans try to bring as much as they can when they come to visit family members. Since U.S. policy entitles them to carry out such trips once every three years, when the opportunity comes, they "load up." U.S. charters flying to Cuba, however, limit total baggage weight to 20 kg (44 lbs), which is about half of most international carriers. All excess baggage is charged at the rate of 2 USD per pound, although USINT diplomats get a discount rate of 1 USD per pound.

15. (U) During the TSA visit, a Gulfstream pilot, flying an Embraer-120 aircraft with a maximum capacity of 30 passengers, confirmed to Econoff the unusually large amounts of baggage on flights to Cuba. He said that on a normal domestic flight, with a full load of 30 passengers, baggage weight is on average around 900 pounds. Yet his Havana flight that day, which only carried 11 passengers -- a rare occurrence, as flights to Havana are often overbooked -- had a baggage weight of 1,200 pounds. This explains why most Gulfstream flights add a second follow-on "shadow" flight just for excess baggage. Another pilot, who is also head of Gulfstream operations, told Econoff that the GOC had just approved raising the limit for total baggage weight per passenger (including excess) from the current 170 lbs to 270 lbs. The pilot admitted this was one of the reasons -- along with the steep airfares (from 385 to 450 USD for a Miami-Havana round trip ticket) -- that explained why Gulfstream is doing very well financially. This means that in the future we should expect the presently oversized loads of baggage to grow even more.

HAVANA 00001036 002 OF 004

16. (U) All this confirms what USINT personnel are witness to every time they fly to Havana. Long lines of baggage -- not people -- make the check-in process a two-to-three hour nightmare. The process essentially involves checking in one aircraft's worth of passengers but two aircrafts' worth of baggage. Not surprisingly, on the return flights to Miami Cuban-Americans do not check in any baggage -- having left everything they originally brought with family and friends in Cuba.

17. (SBU) From conversations with Celimar agents at all the airports, the approximate composition of flights returning to the U.S. -- besides carrying less baggage -- is: 80% are Cuban-Americans returning from their family visits; 5-10% immigrant visa and "tarjeta blanca" (Cuban exit permit) holders, or as airport officials refer to them, "salidas definitivas" (definitive exits); the rest are other OFAC-licensed travelers. Those who overstay their original OFAC-approved travel itinerary, in addition to facing penalties with OFAC, also have to pay the airlines -- usually to change either flight dates (119 USD penalty fee) or to change airlines (270 USD penalty fee).

Traffic

18. (SBU) U.S. charters fly the following types of aircraft in and out of Cuba: ATR-72, B737-200, B737-800, Aztec, Cessna, EMB-120 (Embraer), Piper Azteca, AN-26. With a minimum of two daily flights to Havana, Gulfstream is by far the biggest charter flying to Cuba. Gulfstream CEO Tom Cooper told Econoff that the average occupancy rate of Gulfstream flights to Cuba is 80%, which for Gulfstream is the equivalent of approximately 1,250 passengers per month. Cooper said that although Gulfstream tries to maintain a stable level of flights to Cuba regardless of the season, they adjust that rule towards the end of December. Other peak seasons include June and July. For example, this December Cooper has already chartered nine Boeing 737

flights, each having 172 seats, for the period of December 21-23. According to Cooper, the following are Gulfstream passenger loads from Miami to Havana through September of this year:

- January: 1,289
- February: 1,338
- March: 1,483
- April: 1,238
- May: 1,487
- June: 1,779
- July: 1,855
- August: 1,423
- September: 972

19. (SBU) Following is a rough sampling of the level of U.S. flight traffic and its distribution throughout Cuba (Note: Numbers represent an average week and do not include flights that are usually added during peak seasons. Taking lead charter Gulfstream as a good representative sample, we use 80% occupancy rate as the average estimate for all the airlines flying to Cuba. End Note.). Also listed is pertinent information gathered about each airport and which may be of interest to Cuba transition planners:

- Jose Marti International Airport, Havana:
 - ** Runway length: 4,000 meters
 - ** Airlines: Gulfstream, Sky King, American Eagle
 - ** Average number of U.S. flights per week: 28
 - ** Total passenger capacity of those 28 flights per week: 1,860
 - ** Average occupancy rate per U.S. flight: 80%
 - ** Estimated total passenger traffic from the U.S. on an average week (one way): 1,488
- Jaime Gonzalez International Airport, Cienfuegos:
 - ** Runway length: 2,400 meters
 - ** Airlines: American Eagle
 - ** Average number of U.S. flights per week: 2
 - ** Total passenger capacity of those 2 flights per week: 120

HAVANA 00001036 003 OF 004

- ** Average occupancy rate per U.S. flight: 80%
- ** Estimated total passenger traffic from the U.S. on an average week (one way): 96
- ** Airport was remodeled and re-inaugurated in February 2003.
- ** No domestic flights, only domestic charters; no cargo operations.
- ** Total flights per week: 5 (2 x U.S. charters 3 x Cuban domestic charter AeroCaribe; numbers increase during peak seasons). Plus occasional charters from Venezuela (personnel working on the Cienfuegos oil refinery).
- ** Total number of passengers per year: Approximately 49,000.
- ** Total passenger handling capacity by design: 250 passengers coming in and out at any one time.
- ** As of October of this year, Cienfuegos is experiencing less traffic -- although not by much, according to airport officials -- than last year.

- Ignacio Agramonte International Airport, Camaguey:
 - ** Runway length: 3,000 meters
 - ** Airlines: Sky King
 - ** Average number of U.S. flights per week: 1
 - ** Total passenger capacity of that 1 flight per week: 120
 - ** Average occupancy rate per U.S. flight: 80%
 - ** Estimated total passenger traffic from the U.S. on an average week (one way): 96
 - ** Constructed in 1996. Identical design as Holguin airport (Main difference: Camaguey is painted red; Holguin is painted green).
 - ** Four total flights per week (1 x Sky King; 1 x Canadian airlines; 2 x Cubana airlines). However, during winter peak season the number of flights per week goes up to as many as 15.
 - ** Six crop dusters parked next to runway, which are used, in conjunction with the ministries of Health and Agriculture,

for crop dusting and spraying against the dengue mosquito.

-- Antonio Maceo International Airport, Santiago de Cuba:
** Runway length: 4,006 meters
** Airlines: Sky King
** Average number of U.S. flights per week: 1
** Total passenger capacity of that 1 flight per week: 120
** Average occupancy rate per U.S. flight: 80%
** Estimated total passenger traffic from the U.S. on an average week (one way): 96
** Average total number of flights per week: 27 (5 x international flights; 1 x Sky King; 14 x Cubana; 7 x AeroCaribe)

-- Frank Pais International Airport, Holguin:
** Runway length: 3,000 meters
** Airlines: American Eagle
** Average number of U.S. flights per week: 2
** Total passenger capacity of those 2 flights per week: 120
** Average occupancy rate per U.S. flight: 80%
** Estimated total passenger traffic from the U.S. on an average week (one way): 96
** Total flights per week: 22 (during high season this number goes up to 50)
** The vast majority of non-U.S. passengers are tourist groups destined for Guardalavaca resort area, about 40 miles northeast of Holguin airport.
** Airport constructed in 1996 (twin-design of Camaguey airport) and recently remodeled (June 2007). Brand new baggage handling system (Chinese Nuc Tech) has dramatically increased the speed and volume of baggage screened and handled. Clearly reflecting its priority as a foreign tourism -- hard-currency generating -- location, this was the most modern and best outfitted airport outside Havana.

¶10. (SBU) Using our benchmark 80% occupancy rate and including all U.S. charters, the average weekly number of OFAC-licensed passengers traveling from the U.S. to Cuba is 1,872. (Note: This figure pertains to one-way U.S. to Cuba travel and does not include peak season traffic. End Note.). Conservatively, we estimate that less than 20% of that traffic is non-Cuban-American family visits, i.e., USINT or other diplomats and licensed groups. This leaves a minimum of approximately 1,500 Cuban-American visitors per week.

HAVANA 00001036 004 OF 004

¶11. (C) Comment: The GOC benefits from U.S. charter operations, but minimally -- through percentages derived from airfares, airport fees and taxes. The real winners are the charter airlines. Every week, approximately 1,500 Cuban-Americans pay a premium to bring literally tons of baggage to family and friends in Cuba and return empty-handed to the U.S. Outside of purchasing smuggled or pilfered merchandise on the black market, receiving family visits is a commercial lifeline that reaches ordinary Cubans in the most direct way. Nevertheless, most Cubans on the island do not enjoy this benefit on a regular basis, either because they do not have family in the U.S. or because the family they have can only deliver these benefits once every three years. Obviously, if the number of family visits were increased, the amount of merchandise brought in would increase as well since there is no danger of reaching a saturation point. It is clear from the evidence that more such visits would benefit more Cubans. The airport operations we visited confirm that the recent decline in tourism traffic has been slow to recover. However, all airports had sufficient know-how, infrastructure and personnel capacity to expand operations in the event they had to accommodate more traffic.
PARMLY